

REMARKS

This application has been carefully reviewed in light of the Official Action mailed on July 20, 1999. Reconsideration and further examination of the patentability of the claims is respectfully requested. The claims remaining in the application are claims 1-11 and 13-30.

In the Office Action, claims 1-11 and 13-30 were rejected. Claims 1-11 and 13-30 are currently pending. No claims have been amended. The rejections are addressed below in the same order in which the Examiner discussed them.

Claim 19 was rejected under 35 U.S.C. 102(b) over Foudos. This rejection is respectfully traversed. Claim 19 recites the following features, with the relevant portions highlighted:

A pocket-size personal check encoder, comprising:
a keypad having a plurality of alphanumeric keys operable to receive a check amount from a user;
a display coupled to the keypad and operable to display the check amount entered by the user; and
a check encoder coupled to the keypad and display operable to receive the check amount from the keypad and encode the check amount in a machine-readable format at a predetermined location on a check

Applicant respectfully traverses the Examiner's rejection. Foudos discloses a device that does not have each and every limitation of claim 19. Foudos fails to recite or suggest the use of an **alphanumeric keypad** as recited in claim 19. Instead, the Foudos check encoder employs a ten-key numerical keyboard. More importantly, Foudos neither discloses nor in any way suggests encoding the check amount or that the matter printed on the check is in a **machine-readable** format. Quite to the contrary, the fact that both the payee and the customer can inspect the check is considered an important safety feature (col. 4, lines 57-68; col. 5, lines 1-2), and this feature would be undermined by a machine doing the reading. Furthermore, Foudos fails to disclose printing at a **predetermined location** for machine readability. Because Foudos fails to teach each and every one of the features of claim 19, claim 19 is patentable over Foudos.

Claims 1, 3-10, 13-18, 27, and 29-30 were rejected under 35 U.S.C. 103(a) over Carlson in view of Teradaira. Applicant respectfully traverses these rejections. Applicant also notes that there was no explicit reason given in the Office Action for the rejection of claim 28, but Applicant respectfully submits that the arguments regarding the patentability of independent claim 27 also apply to dependent claim 28.

The Examiner first asserted that Carlson disclosed several features of the independent claims 1, 6, 13 and 27, excluding encoding the check amount on a MICR line of the check. It was then asserted that Teradaira disclosed the capability to encode the amount of the check on a MICR line. Finally, the Examiner believed that it would be obvious to combine the features of Carlson and Teradaira "with the purpose of expediting the reading, verification and endorsing process of a check since a single machine is used."

With respect to the first assertion, Claim 1 recites in part "a check encoder, . . . operable to encode the check amount in a machine-readable format on a MICR line of the check." To the contrary, Carlson discloses a check processing device for printing endorsements on the back of a check (col 10, lines 11-46). Carlson also fails to disclose, teach or suggest that the endorsement on the back of the check is **machine-readable**. Because Carlson fails to teach machine-readability, it follows that it also fails to teach a predetermined location to enable machine-readability. Thus, as the Examiner has conceded, Carlson cannot and does not disclose the limitations involving printing **on the MICR line** as set forth in claim 1. Furthermore, Carlson teaches away from such printing because the endorsements in Carlson are "preferably on their [the checks'] back surfaces." Thus, Carlson fails to disclose, and even teaches away from, the limitations of Claim 1. Carlson similarly fails to disclose, teach or suggest the features of claims 3-5 depending from claim 1.

Claim 6 recites the step of "encoding the check amount on the face of the check in a machine-readable format on a MICR line of the check." As previously shown, Carlson fails to disclose, teach or suggest that the printing on the check is machine-readable or that it should be placed in any particular location based on machine readability. Carlson also teaches away from printing on the front of the check. Thus, Carlson fails to disclose, and even

teaches away from, the limitations of claim 6. Carlson similarly fails to disclose, teach or suggest the features of dependent claims 7-10.

Claim 13 recites the step of "encoding the check amount on the face of a blank check in magnetic ink on a MICR line of the check." For the reasons discussed previously, Carlson fails to disclose, and even teaches away from, the limitations involving printing on a MICR line of the check. Carlson also fails to teach, suggest or disclose the use of magnetic ink. Carlson similarly fails to disclose, teach or suggest the features of dependent claims 14-18.

Claim 27 recites an automatic system for encoding on the face of a check which includes "a check encoder . . . operable to receive the check amount and encode the check amount in a format and location readable by standard check processing equipment." Applicant has previously shown that Carlson fails to disclose that the endorsement on the back of the check must be machine readable. Carlson also therefore fails to disclose encoding in a **location readable by standard check processing equipment** (claim 27, lines 7-8). Thus, Carlson fails to disclose, teach or suggest each and every limitation of claim 27. Carlson similarly fails to disclose, teach or suggest the features of dependent claims 29-30.

Contrary to the Examiner's second assertion, the combination of Carlson with Teradaira does not fill in the gaps between Carlson and the present invention. Like Carlson, Teradaira discloses an integrated processing apparatus including a non-MICR printer and a MICR reader. Like the Carlson device, the Teradaira apparatus has a primary purpose of printing endorsements on the back of checks (Teradaira, col. 1, lines 60-67). Like Carlson, Teradaira discloses nothing about machine-readability. Regarding the location of the printing, the Examiner asserted that the combination of the printer and the MICR **reader** would suffice to suggest printing on the MICR line. Applicant respectfully disagrees with this assertion. *Reading* a MICR line is not the same as *printing* on a MICR line. Without any teaching or suggestion of machine-readable printing, Teradaira does not and cannot teach encoding in a location which would involve machine-readability. The combination of Carlson and Teradaira yields a device that reads the MICR line data on a check and then prints endorsement in a non-

machine readable format on the back of the check. Thus, Teradaira in combination with Carlson fails to disclose, teach or suggest each and every feature of the independent claims

Even if all of the features of the independent claims were disclosed by the combination of Teradaira and Carlson, there would be no motivation or suggestion within the references or within information commonly known to those skilled in the art to combine the two. In fact, because both references perform electronic fund transfer at the point-of-sale, neither has the need or motivation to print the check amount in a machine-readable format on the MICR line to expedite bank processing of the check at a later time. Further, both references teach away from the present invention since the additional printing on the MICR line, especially in magnetic ink, actually slows down point-of-sale check processing, thus making the inventions less suitable for their purpose. For example, in the apparatus of Teradaira, printing on the face of the check is actually more difficult than printing endorsements, as disclosed in the Teradaira patent itself (col. 30, lines 28-35). Furthermore, the additional encoding on the MICR line would slow down the point-of-sale check processing. Teradaira clearly teaches away from such slowdowns, because a central purpose of Teradaira is *shortening per customer processing time* (col. 31, lines 3-7). Contrary to the Examiner's assertion, employing the device of Carlson or Teradaira in the manner of the present invention would *slow* rather than expedite the *point-of-sale* check processing that those devices are intended to accomplish.

Applicant has demonstrated that Carlson and Teradaira do not disclose each and every feature of any of the independent claims, either separately or in combination. Applicant has further demonstrated that even if the features were so disclosed, there would be not motivation within the references themselves or within information known by one well versed in the art to combine the references. The claims dependent on these independent claims are similarly distinguishable. Applicant therefore respectfully requests that the rejections of claims 1, 3-10, 13-18, 27, 29 and 30 be withdrawn.

Claims 2 and 11 were rejected under 35 U.S.C. 103(a) over Carlson in view of Teradaira and Holt (U.S. Patent No. 5,097,517). Applicant has previously shown that claims 1 and 6 are patentable over the Carlson-Teradaira combination. Thus, claim 2 (depending from

1) and claim 11 (depending from 6) are also patentable over the Carlson-Teradaira combination. In addition to Carlson and Teradaira, the Examiner cited Holt, which discloses an apparatus and method for processing bank checks that includes a MICR printer. The Examiner asserted that the MICR printer of Holt could be adapted to Carlson's system in order to obtain a magnetic ink encoder operable to encode the check amount in magnetic ink. The Examiner also asserted that the purpose of the combination would be "encoding machine readable information on a document that facilitates its automatic handling" and "[making] it more difficult to counterfeit documents "

Applicant respectfully submits neither that the references themselves nor information commonly known to those well versed in the art disclose any motivation for the combination of the prior art. Holt discloses a banking apparatus for processing checks. Holt does not disclose, teach or suggest any point-of-sale check processing. Carlson and Teradaira each disclose a point-of-sale device, but neither makes any suggestion of bank processing. Thus neither reference would suggest the use of the inventions in combination.

In fact, the Holt apparatus and the Carlson-Teradaira combination actually teach away from the Examiner's proposed combination. The Holt apparatus is intended to expedite the processing of checks at banks specifically by removing the necessity of manual entry of check amounts (Holt, Col 5, lines 51-58). Thus Holt teaches away from any combination which would involve manual entry of data using a keypad, yet such an input device is cited in the claims of the present invention. Applicant further respectfully submits that the proposed combination of Holt with Carlson-Teradaira would render Holt totally obsolete, because routine MICR printing of the amount on checks would make Holt's process for deciphering handwriting useless. Thus Holt would strongly teach away from the combination. Similarly, Carlson and Teradaira teach away from the necessary combination with Holt, since, as Applicant has previously shown, the additional MICR printing required by the present invention would slow down the check processing procedure.

Since both Holt and the Carlson-Teradaira combination teach away from combinations required for essential features of the present invention, there can be no motivation from within the references for combining the references in that fashion. The only

motivation for the combination would be hindsight. Thus, Applicant respectfully submits that claims 2 and 11 are patentable over the combination of the references.

Claims 20 and 23-26 were rejected under 35 U.S.C. 103(a) as being unpatentable over Foudos in view of devices "notoriously well known and commonly used in the art." Applicant has already shown above that claim 19 is patentable over Foudos because, for example, the Foudos device does not "encode the check amount in a machine-readable format at a predetermined location." Consequently, claims 20 and 23-26 (dependent from 19) are also patentable over Foudos. With respect to claim 20, Applicant respectfully asserts that without any disclosure that the Foudos device was intended to store any type of information regarding payees, it would not be obvious to do so. With respect to claims 24 and 25, Foudos specifically teaches away from printing the check amount alphabetically, since Foudos considers the handwritten confirmation of the amount as an important safety feature (col. 4, lines 57-68; col. 5, lines 1-2). With respect to claim 26, Applicant concedes that Foudos discloses the use of blank checks but that the arguments distinguishing claim 19 make the disclosure moot.

Claims 21 and 22 were rejected under 35 U.S.C. 103(a) as being unpatentable over Foudos in view of Holt. Claim 19 has been previously distinguished from Foudos, so claims 21 and 22 (dependent from 19) are patentable over Foudos as well. The Examiner also cited Holt in combination with Foudos to obtain a method of magnetic encoding on the check. Applicant respectfully submits that Applicant's previous arguments against the combination of Holt with Carlson and Teradaira apply equally well to the combination of Holt with Foudos. Holt teaches a banking apparatus that is used at centralized locations to process checks. It would not make any sense to combine a portable point-of-sale device taught by Foudos with the massive check processing apparatus taught by Holt. For these reasons and reasons set forth above, Claims 21 and 22 are also patentable over the art as combined.

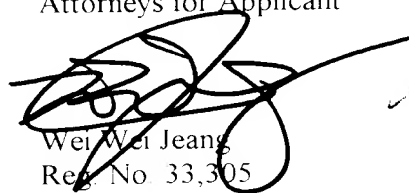
CONCLUSION

Applicant has made an earnest attempt to minimize the number of outstanding issues and place this case in better form for consideration on appeal. For the foregoing reasons and for other reasons clearly apparent, Applicant respectfully requests the entry of this Response and full allowance of claims 1-11 and 13-30.

In order to expedite the prosecution of this case, the undersigned attorney for Applicant invites the Examiner to call at the telephone number listed below if there is a need to clarify any outstanding issues.

Although no fees are believed due, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 05-0765 of Electronic Data Systems Corporation.

Respectfully submitted,
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